

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 10th September 2014

1. **REPORT TITLE** **Better Care Fund Plan Re-submission**
- Submitted by:** **Head of Business Improvement, Central Services & Partnerships
– Mark Bailey**
- Portfolio:** **Communication, Policy & Partnerships**
- Ward(s) affected:** **All**

Purpose of the Report

To ask Members to approve the updated version of the Better Care Fund Plan for Staffordshire (see Appendices A-D) and to reaffirm the recommendations set out in the earlier report to Cabinet on this subject (see Appendix E) in April 2014. The Plan has had to be revised due to changes in the BCF introduced by national government. These changes have added a performance element to the Plan which focuses on reducing non elective admissions to hospital. As Members will recall, these proposals also include the transfer of the Disabled Facilities Grant funding into the BCF from April 2015. This element is unchanged in the new Plan. This report therefore asks Cabinet to approve the new BCF plan for Staffordshire and also to again note that NULBC will have the opportunity to be part of a Partnership Agreement which will determine the future governance arrangements around the BCF and also take decisions over how the BCF will be invested. A final submission of the new BCF Plan for Staffordshire will be made on 19th September 2014.

Recommendations

- a) **That the Cabinet notes the contents of the report**

- b) **That Cabinet endorses the new Staffordshire Better Care Fund Plan submission up to the end of 2015/16 (thereby reaffirming the original decision taken by Cabinet in April 2014), whilst reserving the right to review this endorsement at the end of 2015/16, pending a wholesale review of Disabled Facilities Grant (DFG) funding to NULBC in the period after 2015/16**

- c) **That Cabinet again delegates authority to the Leader of the Council to agree and sign off the BCF submission on behalf of the Council**

Reasons

The Better Care Fund (BCF) aims to provide people with better integrated care and support in Staffordshire. The Fund has been created from a range of different existing budgets and from April 2015, the existing Disabled Facilities Grant (DFG) budget – which is currently provided directly to district/borough councils – will be transferred to the BCF, although the statutory duty will remain with district/borough councils. For 2015/16 only the funding for DFGs will be passported to district/borough councils.

The report requests that Cabinet endorse the Plan (Appendices A-D) and delegates the Leader of the Council to agree and sign the Plan on behalf of the Council. The BCF focuses on preventative work and that the scope of the BCF may expand over time, creating opportunities for district/borough councils in areas such as leisure/culture; housing; community safety; and environmental health.

The need to re-submit the Staffordshire BCF Plan has come about due to changes to the BCF nationally. On 4th July 2014, the Government – based on their perception that the ongoing NHS funding pressures required such a change – decided to mandate Health and Well Being Boards to use BCF resources on NHS services primarily. This moved away from the previous position where local authorities would have an equal position in relation to the BCF. This has been interpreted by local authorities as adding an additional spending pressure on them. In performance terms, the 'new' BCF has a payment by results element which states that non elective admissions to hospital must be reduced by 3.5%.

These changes have led to the need to re-submit BCF Plans. In terms of DFGs (at present the only financial contribution coming from district/borough councils), the figure of £3.8m for Staffordshire remains the same. In addition, the previous concerns around maintaining DFG funding remain as before (see Appendix E). It has been confirmed that the DFG element of the BCF will be allocated back to district/borough councils for 2015/16, but not beyond that at this present time. Agreement from NULBC to the BCF submission, therefore, remains predicated on the agreement that the funding position is reviewed before the end of 2015/16 with regard to DFG, and assurances sought on post-2015/16 funding for DFG from central government (Department of Health and Department for Communities and Local Government) and Staffordshire County Council and before NULBC commits to the BCF beyond 2015/16.

1. **Background**

- 1.1 See Appendix E for background to the BCF, as set out in the April 2014 report to Cabinet on the subject.
- 1.2 The BCF is focused on preventative work such as reablement, support for carers and services to allow disabled people to live independently. DFG, and the help it provides to people within the home, is a part of this. This largely remains the case with the 'new' BCF Plan, although some changes have been made by national government.
- 1.3 Under the new Plan, the allocation to Staffordshire from the national BCF pot remains at £56.1m in 2015/16 (£3.8m of which will be the DFG component).
- 1.4 The first version of the Better Care Fund Plan for Staffordshire was submitted to NHS England in April 2014.
- 1.5 Since the submission of the previous Plan, a number of changes have been made by national government, including:
 - A recognition of the spending pressures facing the NHS and the need to focus resources in this area
 - To this end, the Government mandated Health and Well Being Boards to focus resources from the BCF onto the NHS, rather than focusing on both the NHS and local authorities (thereby potentially undermining the integrated element of the BCF and effectively reducing funding to local authorities)
 - A payment for performance element has been introduced into the BCF, namely that non elective admissions to hospitals should be reduced by 3.5% through the actions set out in the Plan
- 1.6 As a result of these changes, each Health and Well Being Board, including Staffordshire, has been asked to re-submit their BCF Plan.
- 1.7 The latest timescale for this submission is:

- Draft BCF Plan developed – 15th August 2014
- Final draft to required signatories – 22nd August 2014
- Final BCF Plan to Health and Well Being Board members – 1st September 2014
- Health and Well Being Board to consider the Plan – 11th September 2014
- Final submission of the BCF Plan – 19th September 2014

1.8 A letter has been drafted from the co-chairs of the Staffordshire Health and Well Being Board to the Department of Health requested some flexibility over the new targets and timescales, based on the fact that Staffordshire is classed as being a 'distressed health economy'. As such, the county is having to deal with a number of health issues without necessarily having the resources to do so. To this end, it is thought that the BCF ambitions as articulated by Government are going to be difficult for Staffordshire to achieve.

2. **Issues and Areas for Consideration**

2.1 As outlined in the previous section, the issues raised in the previous Cabinet report, submitted in April 2014, still apply and Members should refer to the report at Appendix E.

2.2 The 'new' Plan still remains limited in terms of its references to district/borough councils. Since production of the previous version of the Plan, work has been carried out in reviewing health and well-being in Staffordshire and the role of districts/boroughs. This work was commissioned by the Health and Well Being Board and was led by the CEO of Tamworth BC (Tony Goodwin). The review found that districts/boroughs were not being considered as a matter of course when it came to developing strategic approaches to health and well-being and commissioning decisions were being taken that lacked the necessary sensitivity to issues in local areas such as Newcastle under Lyme. The approach which has been agreed, therefore, is for districts/boroughs to be a part of the strategic picture at all times and for both local commissioning approaches to be established at borough/district level and for all agencies from all sectors to be seen as potential providers. It is therefore important that the new BCF Plan recognises both the review and its findings. A further report on the detailed work being done locally in the field of health and well-being can be found elsewhere on this Cabinet agenda.

2.3 Based on the work of the 'Goodwin Review', therefore, it seems likely that – as previously - the scope of funding channelled into the BCF nationally will expand over time and may therefore provide opportunities for district/borough councils to promote the needs of the local communities in the borough and also input into the preventative agenda via a number of council services (e.g. leisure/culture; economic development; housing; community safety; and environmental health). Having said that, the re-focus of the BCF nationally on NHS services may limit these future opportunities.

2.4 As previously, the issue of DFG funding is the one direct area of concern within the BCF for councils such as NULBC (who will still have a legal duty to deliver adaptations where certain criteria are met). Members should therefore note that the previous position - that the DFG element of BCF for 2015/16 must be allocated back to the relevant housing and strategic housing authorities – remains the same. For this reason, therefore, it is recommended that NULBC, as before, signs up to the BCF until the end of 2015/16 and reserves the right to sign up to a longer term agreement based on a clear steer around future DFG funding beyond 2015/16.

2.5 Again, as before, NULBC requests that a review is carried out around DFG funding during 2015/16 by a combination of the Departments of Health and Communities & Local

Government with full involvement from Staffordshire CC and the district/borough councils in Staffordshire (including NULBC).

- 2.6 In terms of future working, it still seems likely that a Partnership Agreement (covering section 75 of the NHS Act allowing the NHS and local authorities to pool budgets) will be needed to underpin the governance and management of the BCF, although it is by no means clear what the position will be around s75 agreements in Staffordshire. As before, it should be noted that district/borough councils will not be obliged to sign up to the s75 Agreement and will be able to receive funding from the BCF without such an agreement in place, but not to do so could exclude NULBC from discussions on future allocations of funding and it may be difficult for additional funding to be invested from the BCF into NULBC work and also into the DFGs as a preventative activity.
- 2.7 The overall approach as articulated by the BCF process remains, broadly speaking, to move resources away from acute services to preventative approaches by preventing crises and increasing peoples' independence and resilience, but these recent changes have changed the focus of the BCF in some respects.

3. **Options**

- Option A – that Cabinet support the proposals set out in this report, to endorse the BCF Plan (Appendices A-D) and delegate the Leader of the Council to agree and sign up to the Plan on behalf of the Council (Recommended)
- Option B – that Cabinet does not support the proposals in the report, thereby potentially losing the opportunity for NULBC to play an active role in terms of the Plan's current components (and thereby creating a risk around DFG funding) and also the future development of the BCF (Not recommended)

4. **Proposal**

- 4.1 It is proposed Cabinet consider the report and agree to the proposals set out to endorse the 'new' attached BCF Plan for Staffordshire (see Appendices A-D).
- 4.2 Cabinet are also asked to delegate the Leader of the Council to agree and sign up to the Plan on behalf of the Council.
- 4.3 The report also sets out some of the issues around the BCF and Cabinet can be reassured that these developments will continue to be monitored closely by the Council.

5. **Reasons for Preferred Solution**

- 5.1 The BCF is a key part of the delivery of a wider preventative agenda across Staffordshire and, as such, ties in closely with the approach set out in the NULBC Health and Well Being Strategy. The BCF also allows for future development of opportunities for NULBC to play a key role in delivering health improvements and also easing the pressure on resources through the delivery of a number of its key services. The Plan also sets out the position currently with regard to DFGs.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 The Strategy has potential to help deliver key outcomes across all the priorities of the Borough Council.

7. **Legal and Statutory Implications**

- 7.1 NULBC is a party to the BCF Plan and is asked to sign the document to agree to its contents and ambitions. Future work will be required about the role of the Council in relation to s75 Agreements as part of the NHS Act.

8. **Equality Impact Assessment**

- 8.1 An Equality Impact Assessment has been developed, especially around the future of DFGs and also the potential for future NULBC input into the BCF. Any service redesign that may come about due to changes to DFGs or a focus on more preventative approaches would need to be subject to equality analysis.

9. **Financial and Resource Implications**

- 9.1 The Financial and Resource implications set out in the previous Cabinet report from April 2014 (found at Appendix E) remain in place and are set out below.
- 9.2 Under current arrangements, DFGs are funded through a combination of government grant received from DCLG and in house capital resources.
- 9.3 The 2014/15 budget for DFGs is £864,000, of which £514,000 is to be funded from external grant and £350,000 from Borough Council resources (New Homes Bonus). This is committed and demand for DFGs may be increasing as a consequence of demographic change.
- 9.4 From April 2015, funding for DFGs will be in part routed via the BCF. The amount allocated from the BCF for DFGs will be £654,000 to which the Council may decide to add further funds from the Housing Capital Programme, as it has done in previous years, should demand warrant this.
- 9.5 Given that district/borough councils will continue to have a statutory duty to deliver DFGs, it will be important that the DFG funding continues to be allocated to local housing authorities.
- 9.6 Special conditions will be added to the Conditions of Grant Usage (s31 of the Local Government Act 2003) which stipulate that upper tier local authorities/CCGs must ensure they cascade the DFG allocation to district/borough council level in a timely manner which can be spent within a year.
- 9.7 Having said that, there are no guarantees about the future level of funding that government makes available for DFGs. This report, therefore, requests that a review of the position regarding DFGs in Staffordshire is undertaken during 2015/16 and that this is done prior to any further sign off by councils such as NULBC. To this end, NULBC is proposing to sign up to the BCF up until the end of 2015/16 in the first instance.
- 9.8 Only government grant contribution to DFGs will be included in the BCF Plan, and the Plan makes no reference to or assumptions about the capital spend on DFGs which is funded by the in-house resources of each district/borough council. It is recognised that capital funding is under pressure and that the NULBC Housing Capital Programme is reviewed and revised annually.

10. **Major Risks**

- 10.1 The major risks within the proposal remain as before and include: -

- Funding for DFGs reduce whilst the statutory duty is maintained – this position needs to be reviewed during 2015/16 as set out in this report
- Demand for DFGs continues to increase without commensurate increases in funding
- The future opportunities for NULBC and other districts/boroughs are not realised
- The expected outcomes and outputs from this work are not realised, including reductions in acute spend

Risk profiles have been developed for each of these risks, including control measures.

11. **Sustainability and Climate Change Implications**

- 11.1 Current levels of spending on health and social care are unsustainable and require a radical shift in investment to keep people living safely in their home as long as possible and ensure continued delivery of acute services to those really in need.

12. **Key Decision Information**

- 12.1 This item is included in the Forward Plan

13. **Earlier Cabinet/Committee Resolutions**

Cabinet report “Better Care Fund Submission” (2nd April 2014)

14. **List of Appendices**

Appendix A – Staffordshire Better Care Fund (Revised Submission)

Appendix B - Collection of Detailed Scheme Descriptions for each scheme/project included within the BCF (includes reference to the DFG element of the Fund)

Appendix C – BCF Template

Appendix D – Collated Backing Data for Submission

Appendix E – NULBC Cabinet report “Better Care Fund Submission” (2nd April 2014)

15. **Background Papers**

- 15.1 Held in the Business Improvement, Central Services and Partnerships offices and including Health & Well Being agendas; background papers on integrated commissioning and the Joint Strategic Needs Assessment (JSNA)